

SERIAL 01151 S EMPLOYEE AUTOMOBILE AND HOMEOWNERS GROUP INSURANCE

DATE OF LAST REVISION: August 31, 2005 CONTRACT END DATE: December 31, 2006

CONTRACT PERIOD THROUGH DECEMBER 31, 2006

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **EMPLOYEE AUTOMOBILE AND HOMEOWNERS GROUP INSURANCE**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **October 3, 2001**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Mirheta Muslic, Materials Management

CONTRACT FOR GROUP AUTO AND HOMEOWNERS INSURANCE

This Contract is entered into this 3RD day of OCTOBER, 2001 by and between Maricopa County (hereinafter "County"), a political subdivision of the State of Arizona, and **LIBERTY MUTUAL INSURANCE COMPANY** a Massachusetts mutual insurance company and its affiliates and subsidiaries having a principal place of business at 175 Berkeley Street, Boston, MA 02116-5066 (hereinafter "Liberty") for the purpose of marketing of personal property and casualty insurance policies to County's employees under a payroll deduction plan on the terms and conditions set forth below.

1.0 TERM

- 1.1 This Contract is for a term of five (5) years, beginning on the 1st day of November 2001 and ending the 31st day of December 2006.
- 1.2 The County may, at its option and with the agreement of Liberty, extend the period of this Contract for additional one (1) year terms up to a maximum of Five (5) additional terms. The County shall notify Liberty in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYROLL DEDUCTION

- 2.1 Upon receipt of a written request, from one of its employees, County shall make regular deductions from that employee's paycheck to cover premiums for insurance purchased by that employee from Liberty. The request shall be made on a standard form, which shall include a statement that County is not the agent of Liberty for purposes of collecting premium. Compliance with all laws, rules, or regulations applicable to payroll deduction shall be the responsibility of County.
- 2.2 County, as agent for employees and not as agent for Liberty, shall remit to Liberty all monies deducted from employees' paychecks under this section. Liberty reserves the right to bill employees directly for amounts collected by County but not remitted to Liberty.

3.0 DUTIES

3.1 INSURANCE SERVICES:

- (a) Program. As used in this Contract, the "Program" shall refer to all the Insurance Products (defined in Section 3.1(b) hereunder) offered and written by Liberty covering County's employees and the provision of personal insurance counseling services by Liberty. Such counseling services will consist primarily of the marketing and sale, by licensed sales representatives, of the Insurance Products on a payroll deduction basis (hereinafter, the "Program"). Unless state law so provides, Liberty shall not be obligated to sell Insurance Products to employees who do not meet Liberty's underwriting guidelines.

Liberty's offering of the Insurance Products pursuant to this Contract shall be at all times subject to Liberty's normal underwriting standards, forms and rates, and subject to Liberty's sole discretion in making business decisions regarding states in which it offers coverage. If Liberty ceases to write any Insurance Product in any state, this Contract shall be deemed immediately terminated as to that Insurance Product in that particular state.

- (b) The Insurance Products. Pursuant to the Program, if permitted by applicable law, Liberty shall offer the following personal property and casualty insurance products: personal auto; homeowners; renters, condos and secondary homes; dwelling fire; boats and yachts; recreational vehicles; scheduled personal property; personal excess liability/umbrella (“Insurance Products”).

3.2 EMPLOYEE DISCOUNT:

Where approved by the applicable regulatory authority, Liberty agrees to provide discounts to employees of County who purchase an Insurance Product from Liberty Mutual pursuant to this Contract for so long as allowed by law and as long as Liberty deems the rates within any particular jurisdiction as adequate to support such discounts. These discounts shall be in addition to Liberty’s standard discounts (e.g. good driver) which are approved for use in the relevant jurisdiction. Liberty agrees that no interest or service fee shall be charged to County’s employees due to the fact that the premium is paid by payroll deductions.

3.3 AGENCY:

County is not the agent of Liberty for any purpose, including the collection of premiums.

3.4 ACCESS TO PREMISES:

County may agree to grant Liberty access to County’s premises on a regular schedule for the purpose of providing insurance counseling services to County’s employees. Such agreement may be limited to specified times and places. Liberty will comply with all such restrictions.

3.5 MARKETING INITIATIVES:

County agrees to support and hereby authorizes Liberty to undertake or utilize the marketing initiatives and tools listed in Exhibit A attached hereto (“Marketing Initiatives”).

3.6 EMPLOYEE LIST:

County agrees to provide Liberty with a list of all the persons employed by County, together with their home addresses as they appear on County’s personnel records **only with the pre-approval of the employee.**

3.7 CONFIDENTIALITY:

County and Liberty agree to hold in confidence any and all non-public personally identifiable customer information (individually and collectively, “Customer Information”) obtained from each other during the term of this Contract. “Non-public personally identifiable information” is financial or medical information of or concerning a private person which either has been obtained from sources which are not available to the general public or obtained from the person who is the subject and which information is included in data files exchanged by the parties hereto. For the purposes hereof, the terms shall include data elements such as names and addresses of individuals. The parties further agree not to disclose Customer Information to nonaffiliated third parties except as may be:

- (i) necessary to carry out their responsibilities under this Contract;
- (ii) necessary to effect, administer, service or enforce products and services obtained under this Contract; or,
- (iii) required or permitted by law.

County and Liberty agree to apply reasonable customary business practices to protect and secure Customer Information from unauthorized release or distribution and to limit access and usage of

such information to those employees, officers, agents and representatives necessary to provide the products and services under this Contract. The parties agree that the obligations contained in this paragraph shall survive termination of this Contract.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Liberty shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, which arise out of acts or omissions of Liberty.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the negligence of the County.

4.1.2 Insurance Requirements.

Liberty shall maintain the minimum insurance stipulated herein and provide County with certificates evidencing such insurance.

4.1.2.1 **Commercial General Liability.** Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit

4.1.2.2 **Automobile Liability.** Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

4.1.2.3 **Workers' Compensation.** The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Contract Administration
320 West Lincoln Street
Phoenix, Arizona

For Liberty:

Liberty Mutual Insurance Company
175 Berkeley Street
Mail Stop S2D
Boston, Massachusetts 02116-5066

Attn: Joseph Aniello, Vice President & Manager
Mass Marketing Department

4.3 GUARANTEE:

Liberty signifies its understanding and agreement by signing this document, that this Contract does not guarantee that any employee of County will purchase insurance from Liberty.

4.4 TERMINATION:

County or Liberty may unconditionally terminate this Contract for convenience by providing sixty (60) calendar days advance notice to the other party provided, however, that insurance issued hereunder shall continue and shall terminate only in accordance with the terms of the individual insurance policy..

County may terminate this Contract if Liberty fails to perform or observe any material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Liberty becomes insolvent or generally fails to pay its debts as they mature.

4.5 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.6 RETENTION OF RECORDS:

Liberty agrees to retain all records relevant to this Contract in accordance with the public records laws of the State of Arizona.

4.7 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.8 REPORTS:

Liberty agrees to supply County with a list of employees who purchased Insurance Products during the prior year as a result of Liberty's sales and marketing activities permitted under this Contract.

All information provided by Liberty to County hereunder shall be considered the proprietary information of Liberty, and County agrees to keep such proprietary information in confidence and to use its reasonable efforts both during and after the term of this Contract to prevent its unauthorized dissemination.

4.9 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, bids, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.10 ASSIGNMENT:

This Contract may not be assigned by either party without the prior express written consent of the other party, which consent shall not be unreasonably withheld.

4.11 SERVICEMARKS:

County and Liberty agree that neither party shall use the servicemarks, trademarks, logos, names or proprietary designations of the other party for any purpose, nor distribute any promotional or advertising material referring to the other party, its products or the Program, without that party's prior written consent.

4.12 THIRD PARTY BENEFICIARY EXCLUSION:

This Contract is not a third party beneficiary contract nor shall this Contract create any rights on behalf of County's employees as against Liberty. County and Liberty reserve the right to amend, cancel or terminate this Contract without notice to, or consent of, any employee.

4.13 GOVERNING LAW:

This Contract is made and entered into under the laws of the State of Arizona, and the laws of that state shall govern the validity and interpretation of this Contract.

4.14 INDEPENDENT COUNSEL:

The parties hereto having had the opportunity to have independent counsel fully review and explain the legal and practical effect of this Contract, and having the knowledge of such advice and with the understanding of the force and effect of this Contract, the parties hereto sign same voluntarily.

4.15 FORCE MAJEURE:

Neither party shall be deemed to be in violation of this Contract if such party is prevented from performing any of its obligations hereunder for any reason beyond its control, including, without limitation, acts of God or of any public enemy, elements, flood or strikes.

4.16 VOID PROVISION:

If any term or condition of this Contract is found by a court of competent jurisdiction to be illegal, unlawful, or otherwise unenforceable, the parties agree that such term or condition shall be reformed as nearly as may be possible to carry forth the intentions of the parties and that such illegality, unlawfulness or unenforceability shall not act to void any other term or condition of this Contract nor to void the Contract as a whole.

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IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

LIBERTY MUTUAL INSURANCE COMPANY

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

EXHIBIT A
MARKETING INITIATIVES

Pursuant to Section 3 of this Contract, the Marketing Initiatives Liberty may utilize or undertake in connection with this Contract will include, but will not be limited to, any of the following:

Direct mail
Interoffice mail
Payroll stuffers
E-mail announcements/reminders
On-hold messages
New hire campaigns
Internet/intranet-advertisements
Hyperlink to on-line quoting applications
Advertising
On-site visitations-e.g. exhibits, booths, banners, raffles and/or drawings

LIBERTY MUTUAL INSURANCE, 1750 HOWE AVENUE SUITE 400, SACRAMENTO, CA 95825
COMPANY REMITTANCE PROCESSING, P. O. BOX 8500, DOVER, NH 03821-8500

Vendor Number: **W000005473 X**

Telephone Number: 603/ 749-2600 **800/799-6965**

Fax Number: **916/564-5156**

Contact REP: **Yesel Alcantar**

E-Mail: Yesel.Alcantar@libertymutual.com

Contract Period: To cover the period ending **December 31, 2006.**